

**REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., JULY 19, 2016**

Canton City Hall
290 E. Tyler, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Municipal Courtroom. Members present were Mayor Lou Ann Everett and Councilmembers Cindy Malouf, Nathan Moore, Scott Perkins, Shawn Stewart and Connie Odic.

Also present were City Manager Lonny Cluck, Assistant City Manager Andy Wolfe, City Secretary Debra Johnson, Finance Director Kimberly Kroha, Police Chief Brad Allison, Municipal Judge Lilia Durham, Public Works Director Walt Lehmann, Building Inspector Dwight Lancaster and Assistant City Attorney David Ritter.

1. CALL TO ORDER – Mayor Everett called the meeting to order and declared a quorum present at 6:00 p.m.
2. INVOCATION was led by Mark Roberson of First Baptist Church.
3. PLEDGE OF ALLEGIANCE was led by Mayor Everett
4. MAYOR'S WELCOME
5. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
6. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZENS FORUM

7. CITIZENS FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA

CONSENT AGENDA

8. CONSIDER APPROVAL OF MINUTES OF THE JUNE 21, 2016 CITY COUNCIL MEETING
9. CONSIDER APPROVAL OF JUNE 2016 FINANCIAL STATEMENTS

Councilmember Stewart made motion to approve Items 8 and 9 of Consent Agenda. Council-member Odic seconded.

Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Approve

Council Member - Nathan Moore: Approve

INDIVIDUAL CONSIDERATION

10. PUBLIC HEARING AND CONSIDER APPROVAL OF ORDINANCE NO. 2016-16 AMENDING THE PENALTY CLAUSE IN ORDINANCE NO. 2004-09 REGARDING B&B'S TO PROVIDE FOR \$2000 PER DAY PENALTY - Mayor Everett opened a public hearing at 6:03 p.m. There being no comments, the public hearing was closed at 6:05 p.m.

Councilmember Odic made a motion to approve Ordinance No. 2016-16. Councilmember Perkins seconded.

Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Approve
Council Member - Nathan Moore: Approve

11. PUBLIC HEARING AND CONSIDER APPROVAL OF ORDINANCE NO. 2016-17 AMENDING THE PENALTY CLAUSE OF THE 1985 ZONING ORDINANCE TO PROVIDE FOR A \$2000 PER DAY PENALTY - Mayor Everett opened a public hearing at 6:09 p.m. There being no comments, the public hearing was closed at 6:09 p.m. Councilmember Malouf made a motion to approve Ordinance No. 2016-17. Councilmember Stewart seconded.

Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Approve
Council Member - Nathan Moore: Approve

12. CONSIDER APPROVAL OF CONSTRUCTION OF BUILDING ON CITY FIRST MONDAY GROUNDS BY JEFF AND NANCY CLEVELAND AND RELATED LEASE AGREEMENT - Councilmember Malouf made a motion to approve the lease with the proposed change that vendor can sublease 100% of the building. Councilmember Moore seconded.

Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Approve
Council Member - Nathan Moore: Approve

13. CITY MANAGEMENT REPORTS

- A. FIRST MONDAY – There was a discussion about the amount of insurance required by the First Monday lease. Councilmember Stewart said it was standard to require \$100,000. Ms. Johnson said she had modified the lease to require that going forward.
- B. FINANCIAL REPORT – Ms. Kroha reported sales tax revenue was up 5%. She said revenue from water and wastewater was up about \$43,000 year-to-date. The

last month for First Monday was down about \$7,000. There was also a drop in the amount of debt service because an annual interest payment had been made.

- C. NEW BUILDING FOR POLICE DEPARTMENT – Andy Wolfe reported the trustees had been working on the building doing demolition. Staff had been making decisions on carpet and paint and they were in the process of obtaining bids.
- D. TIMES FOR FUTURE BUDGET MEETINGS – Ms. Johnson said the July 26 meeting would be at noon but the August 2 meeting would start at 6:00 p.m.
- E. SALE OF JUNKED VEHICLES – Ms. Johnson reported approximately \$34,000 was brought in from the sale of junked vehicles and equipment. They planned to prepare more items for auction.
- F. OTHER ITEMS - Mr. Wolfe reported two legs were finished on the historic water tower. They were fixing holes on top. The company had thirty working days to finish the project. He said the concrete had been poured at Trade Center IV and it was now in the curing stage. The Artist's Row pavilion concrete was poured and the building was built. Mr. Wolfe reported the drop ceiling was in at the new city hall. He said he would check on the security of the building. Councilmember Stewart requested a coned off walkway from Row 20 into the bathrooms at Trade Center IV for First Monday. Mr. Wolfe thought the new Police Department building should be completed in less than two months. They were obtaining bids now. Mr. Cluck said there might be some rust on the inside of the historic water tower that might need to be corrected.

- 14. RECEIVE PRESENTATION OF TWO CERTIFIED PETITIONS CIRCULATED BY THE VAN ZANDT COMMITTEE FOR ECONOMIC GROWTH FOR (1) A LOCAL OPTION ELECTION TO LEGALIZE THE LEGAL SALE OF BEER AND WINE FOR OFF-PREMISE CONSUMPTION ONLY IN THE CITY OF CANTON AND (2) A LOCAL OPTION ELECTION TO LEGALIZE THE LEGAL SALE OF MIXED BEVERAGES IN RESTAURANTS BY FOOD AND BEVERAGE CERTIFICATE HOLDERS ONLY IN THE CITY OF CANTON – Debra Johnson said she received petition requests on May 3 and issued the petitions for signatures. One petition was for a local option election to legalize the legal sale of beer and wine for off-premise consumption only in the City of Canton and the second was for a local option election to legalize the legal sale of mixed beverages in restaurants by food and beverage certificate holders only in the City of Canton. Both petitions required 244 signatures to be verified. The beer and wine petition had 264 signatures verified and the mixed beverage petition had 273 verified signatures.
- 15. CONSIDER ADOPTION OF ORDINANCE NO. 2016-18 CALLING A SPECIAL LOCAL OPTION LIQUOR ELECTION TO BE HELD ON NOVEMBER 8, 2016, FOR THE PURPOSE OF SUBMITTING TO THE VOTERS TWO PROPOSITIONS TO LEGALIZE: (1) THE LEGAL SALE OF BEER AND WINE FOR OFF-PREMISE CONSUMPTION ONLY IN THE CITY OF CANTON AND (2) THE LEGAL SALE OF MIXED BEVERAGES IN RESTAURANTS BY FOOD AND BEVERAGE CERTIFICATE HOLDERS ONLY IN THE CITY OF CANTON; PROVIDING FOR NOTICES, VOTING EQUIPMENT; AND DESIGNATING THE POLLING PLACES AND TIMES FOR EARLY VOTING AND ELECTION DAY

Councilmember Stewart made a motion to adopt Ordinance No. 2016-18. Councilmember Perkins seconded.

Mayor Pro Tem - Shawn Stewart: Approve

Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Approve
Council Member - Nathan Moore: Approve

16. CONSIDER ADOPTION OF RESOLUTION NO. 2016-12 APPOINTING ELECTION JUDGES, ALTERNATE ELECTION JUDGES, AND EARLY VOTING BALLOT BOARD JUDGE FOR NOVEMBER 8, 2016 SPECIAL ELECTION – Item was not considered.
17. CONSIDER ADOPTION OF RESOLUTION NO. 2016-13 APPOINTING DEPUTY CITY SECRETARIES – Item was not considered.
18. CONSIDER APPROVAL OF ELECTION EQUIPMENT CONTRACT WITH THE VAN ZANDT COUNTY CLERK FOR NOVEMBER 8, 2016 GENERAL ELECTION - Councilmember Malouf made a motion to approve the contract with Van Zandt County. Councilmember Odic seconded.

Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Connie Odic: Approve
Council Member - Cindy Malouf: Approve
Council Member - Scott Perkins: Approve
Council Member - Nathan Moore: Approve

19. CONSIDER VACANT BUILDINGS WITHIN THE CITY LIMITS - Councilmember Stewart said he had requested the list to identify commercial properties which were vacant and to evaluate the structures. He thought it would be a prudent thing to identify the buildings and go through the process to get them to the minimum level of integrity or be demolished. David Ritter said the City had just instituted some forms to bring violators to court under the Maintenance Code. The process was just getting started and would eventually take less time to complete. Mr. Ritter said the notice letter had been sent to Church's Chicken and its lienholders and they were now at the stage of sending out citations.
20. CONSIDER DESIGN, CONSTRUCTION AND FINANCING OF PROJECTS INCLUDING, BUT NOT LIMITED TO, STREETS AND UTILITIES, IMPROVEMENTS TO FIRST MONDAY GROUNDS, REPAINTING OF HISTORIC WATER TOWER, AND NEW CITY HALL

Mayor Everett recessed at 7:34 p.m. Council convened into Executive Session at 7:45 p.m.

EXECUTIVE SESSION

In accordance with the authority contained in Sections 551.071 of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, Council will convene in closed or executive session to discuss the following matters.

21. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING EXISTING OR POTENTIAL LITIGATION (Section 551.071)
22. EXECUTIVE SESSION PURSUANT TO SECTION 551.071 OF THE TEXAS GOVERNMENT CODE TO RECEIVE LEGAL ADVICE FROM THE CITY ATTORNEY

CONCERNING PROPERTY GENERALLY LOCATED IN THE Q.C. NUGENT SURVEY, ABSTRACT NO. 618 AND D. TOWNS SURVEY, ABSTRACT NO. 845 AND GENERALLY LOCATED AT 542 E. DALLAS, CANTON, TEXAS, AND COMMONLY REFERRED TO AS OLD MILL MARKETPLACE AND "THE MOUNTAIN"

RETURN TO OPEN SESSION

23. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – Council reconvened into Open Session at with no action taken.
24. CONSIDER ADOPTION OF ORDINANCE NO. 2016-13 CHANGING THE USES AND ATTRIBUTES OF THE FIRST MONDAY BUSINESS ZONING CLASSIFICATION IN 1985 ZONING ORDINANCE – Mayor Everett postponed this item to the next regular meeting.
25. CONSIDER TIME PERIOD FOR PEOPLE TO OBTAIN SPECIFIC USE PERMITS FOR B&B'S – Mayor Everett said there would be no action on this item at this time due to the fact the City would be sending a letter to the property owner.

WORK SESSION

26. WORK SESSION ON PROPOSED BUDGET FOR FISCAL YEAR 2016-2017
 - A. PROPERTY TAX RATE
 - B. WATER AND WASTEWATER RATES
 - C. PROJECTS / TRADEOFFS
 - D. EMPLOYMENT/SALARY RAISES/BENEFITS
 - E. CHANGES / QUESTIONS

Kimberly Kroha announced there would be budget meetings on August 2 and August 9. The regular meeting would be held on August 16 and a workshop would be held, if necessary. The first public hearing on the tax rate would be August 23. The second public hearing on the tax rate and the public hearing on the budget would be August 30. The budget and tax rate would be adopted on September 6.

Ms. Kroha said she had changed the amount of the property tax because she received the appraised values from Van Zandt County. The amount of property values was approximately \$9.8 million higher. She had done a transfer from First Monday on the revenue side to increase the amount for the elections. She added \$10,000 for the Douthit Cemetery Road; \$6,000 for the Van Zandt Memorial project; and \$6,000 for new flooring in the library offices.

David Ritter left the meeting at 9:09 p.m.

Ms. Kroha said she adjusted revenue on the First Monday fund for Dry Creek Landing. There would be \$205,530 in funds available with the balanced budget. \$185,000 of that was available for projects. If the effective tax rate were adopted, the amount would decrease by \$66,000. Mr. Cluck said they were not recommending a change in water or wastewater rates. Mr. Cluck said they had found there were not many grants available for tennis courts. He said they could increase the amount of the loan that was being considered to \$2.4 million so tennis courts could be built. They originally looked at a seven

year payout on the \$2 million loan. That would not change our debt payments because some debts were dropping off. He wanted to keep enough money in to start an equipment replacement fund.

Mr. Cluck said the garbage rates charged in Canton were lower than other cities in the area. He suggested reviewing those rates to see if any increases should be made. Mr. Cluck said they would gather more information to present at the next meeting.

27. ITEMS FOR FUTURE AGENDAS – Councilmember Odic wanted to discuss changing the animal ordinance. Ms. Johnson said she would include an item about the Mountain.
28. ADJOURN - There being no further business to discuss, the meeting was adjourned at 9:39 p.m.